

Q4
2023



Higher profit and good orders received

“NCC achieved its target for earnings per share of SEK 16 after a good 2023, despite a divided construction market and no property sales.”

Tomas Carlsson, President and CEO of NCC

- Higher operating profit for the full year mainly due to turnaround for Industry and strong earnings in Infrastructure
- Good orders received for the quarter and the full year, but major variations between segments and geographies
- No property development projects were recognized in profit during the quarter, one for the full year that was sold earlier
- Good cash flow from contracting operations and from divestment of subsidiary
- Earnings per share amounted to SEK 16.11, in line with the financial target of SEK 16 for 2023
- The Board of Directors has proposed a dividend of SEK 8.00 (6.00) per share for 2023, to be paid on two occasions. See page 14

Fourth quarter 2023

- Orders received amounted to SEK 16,159 M (12,280)
- Net sales totaled SEK 15,592 M (16,018)
- Operating profit amounted to SEK 358 M (544)
- Profit after financial items totaled SEK 354 M (520)
- Profit after tax was SEK 392 M (407)
- Earnings per share after dilution amounted to SEK 4.02 (4.13)

January-December 2023 period

- Orders received amounted to SEK 56,819 M (53,285)
- Net sales totaled SEK 56,932 M (54,198)
- Operating profit amounted to SEK 1,802 M (1,358)
- Profit after financial items totaled SEK 1,803 M (1,299)
- Profit after tax was SEK 1,573 M (1,069)
- Earnings per share after dilution amounted to SEK 16.11 (10.29)

| Group, SEK M | Q4 | | Jan-Dec | |
|---|--------|--------|---------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| Orders received | 16,159 | 12,280 | 56,819 | 53,285 |
| Order backlog | 53,422 | 54,995 | 53,422 | 54,995 |
| Net sales | 15,592 | 16,018 | 56,932 | 54,198 |
| Operating profit/loss | 358 | 544 | 1,802 | 1,358 |
| Operating margin, % | 2.3 | 3.4 | 3.2 | 2.5 |
| Profit/loss after financial items | 354 | 520 | 1,803 | 1,299 |
| Net profit/loss for the period | 392 | 407 | 1,573 | 1,069 |
| Profit/loss per share after dilution, SEK | 4.02 | 4.13 | 16.11 | 10.29 |
| Cash flow from operating activities | 1,062 | 1,349 | 807 | 265 |
| Cash flow before financing | 851 | 1,037 | 361 | -136 |
| Net cash +/-Net debt - | -4,310 | -3,000 | -4,310 | -3,000 |

For definitions of key figures, see <https://www.ncc.com/investor-relations/ncc-share/financial-definitions/>

CEO Tomas Carlsson comments

NCC had a good 2023 despite a complex and varied market. Profit increased, orders received were good and we successfully achieved the EPS target of SEK 16 that we set in 2020, even though we did not complete any property sales. I am proud of the improvements we have achieved and the fact that all business areas delivered better than, or on a par with, the industry.

The Infrastructure business area is continuing to develop in a positive direction and improve its results each quarter through focused and clear improvement efforts. The business area has a good market, especially in the segments we have chosen to prioritize, including water treatment and energy development.

In Building Sweden and Building Nordics, the effects of price pressure due to the financial situation and the radical drop in housing construction are noticeable. In the current environment, NCC has an advantage of not having any housing development operations of its own, but is not unaffected by the plight of the industry. A clear focus and many projects in other segments are largely offsetting this development. The profitability of both Building Sweden and Building Nordics stands up well in a Nordic market comparison. There are distinct regional and national differences. The toughest market is in Finland, while activity in Denmark and parts of Sweden is higher. The construction operations in Denmark are successful, reporting high orders received and good profitability.

During the year, the Industry business area successfully executed the turnaround we have worked for. It has returned to more normal profit levels, which naturally has large impact on the profitability of the entire Group. The business area is continuing to work to improve profitability.

The property market remains at a standstill, with very few transactions occurring. NCC did not sell any properties during the year and only recognized one in profit, which we sold earlier. We are continuing to monitor the situation and are awaiting a more active market. Letting during the quarter was higher than earlier in the year, which is positive for our prospects to both sell and start new projects in Property Development moving forward.

In November, we announced that we will start a new business area for large and complex projects related to the green industrial transition, NCC Green Industry



Transformation. Here, we will gather specialist expertise to address the demand that exists for construction projects that form part of large and highly complex, pioneering initiatives.

Our industry is not without its challenges but there is no clear-cut picture. The market is divided. A good market in many segments of society is a positive driver. The residential market is under severe pressure. Increased price pressure and a shortage of resources among municipalities and regions could have a negative effect. Even when we see a clear stabilization of inflation and interest rates – and we are not there yet – it will take time for the market to catch up.

If NCC is to achieve its financial targets moving ahead, we are, as stated earlier, dependent on increasing profit in the contracting business and the Industry business area, and on a more open property market that creates opportunities for property sales.

Meanwhile, we are continuing our efforts to transform the company to create a platform for a long-term, sustainable improvement in profitability. This is based on a range of strategic initiatives allowing us to leverage our position as a large company. I am convinced that we are already seeing the effects of this work and that these will become even more apparent in the years ahead.

Tomas Carlsson, President and CEO
Solna, January 30, 2024

Group performance

Market

In the main, NCC is impacted by the general economic situation and the GDP trend. Cost increases, rising interest rates and uncertainty about future economic development have a dampening effect on the market. Over the long term, higher prices could lead to lower demand, especially in certain segments. Rising interest rates also affect interest in investing in new properties. The market for residential units and offices is impacted most tangibly by the economic situation. There is significant uncertainty concerning future economic developments despite signals indicating a stabilization.

At the same time, the long-term market conditions for contracting operations, property development and industrial operations in the Nordic region remain positive. There are plans for large industrial investments in parts of Sweden. There is an underlying demand for public buildings, such as schools, prisons, hospitals and retirement homes. However, the economic situation in municipalities and regions could reduce or delay demand in some cases.

Urban expansion and the emergence of new growth regions are driving initiatives for infrastructure in city areas, including roads, public transport, water and wastewater, and energy solutions. In general, the market for renovation and refurbishment is also healthy. There is also underlying need for residential units, although that market is greatly impacted by the economic situation.

The countries in which NCC has infrastructure operations have ambitious plans and investment initiatives in renewal, refurbishment and maintenance of national and regional infrastructure. Demand for asphalt and stone materials is driven by investments in infrastructure and maintenance, as well as general construction and, to some extent, the economic situation of public customers.

Net sales and earnings

Net sales totaled SEK 15,592 M (16,018) in the fourth quarter, and SEK 56,932 M (54,198) in the January-December period. All business areas contributed to higher net sales compared with the January-December period in the preceding year. Exchange rate effects had an impact of SEK 309 M (1,082) on net sales.

Operating profit amounted to SEK 358 M (544) in the fourth quarter, and SEK 1,802 M (1,358) for the January-December period. The lower operating profit in the quarter was mainly due to Property Development, as no projects were recognized in profit. The Kineum Gårda project was recognized in profit in the corresponding period in the preceding year. In Building Sweden, operating profit both in the quarter and the full year period was affected by a lower margin in the order backlog due to the impairments made in 2022 and the price pressure resulting from the economic situation. The higher operating profit in Industry for the full-year period was primarily attributable to the asphalt operations owing to raised prices and lower energy costs. During the quarter, Building Nordics reported somewhat higher operating profit year-on-year but for the full year it was on a par with 2022. In Infrastructure, operating profit was higher in the quarter due to a higher project margin in the order backlog. For the full year, the Infrastructure business area was also impacted by the divestment of the Bergnäset subsidiary, which had a positive impact of SEK 175 M on operating profit for the third quarter.

The operating margin for the quarter was lower than in the preceding year, but was higher than in the preceding year for the January-December period. On a full-year basis, NCC had an operating margin of 3.2 percent.

Orders received, Jan-Dec SEK M

56,819

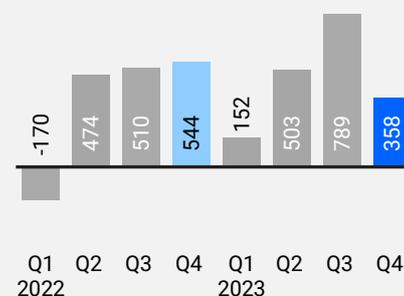
Net sales, Jan-Dec SEK M

56,932

Net sales, SEK M



Operating profit, SEK M



Net financial items amounted to SEK -4 M (-24) for the quarter and to SEK 1 M (-59) for the January-December period. Higher capitalization of interest in ongoing property projects for Property Development and lower pension debt during the period had a positive impact on the quarter and the full year.

Effective tax

The effective tax rate for the Group amounted to 13 percent (18) for the period January-December. The low tax rate is mainly due to the tax-free divestments that Property Development carried out during the year: one project and one land sale. Furthermore, Infrastructure carried out a tax-free company divestment, Bergnäset.

Cash flow

Cash flow before financing amounted to SEK 851 M (1,037) for the quarter and to SEK 361 M (-136) for the year. The improvement during the year was due to higher operating profit, the divestment of Bergnäset and a positive change in working capital. Cash flow from contracting operations was significantly higher than in the corresponding period of the preceding year.

No property projects were recognized in profit during the quarter. Cash flow was higher in the corresponding quarter of the preceding year as the Kineum Gårda joint venture project was recognized in profit. Fewer projects recognized in profit during the January-December period resulted in a lower cash flow compared with the preceding year. Investments in ongoing property projects were slightly lower during the year compared with 2022.

Cash flow from investing activities was somewhat lower year-on-year due to higher IT investments.

At the end of the period, cash and cash equivalents totaled SEK 1,208 M (928).

At December 31, the Group's net debt amounted to SEK -4,310 M (-3,000).

Corporate net debt, meaning net debt excluding pension debt and lease liabilities, amounted to SEK -2,374 M (-1,561) at the end of the year. The increase in corporate net debt was due to such factors as continued investments in ongoing property projects and the fact that no property projects were recognized in profit in the three latest quarters.

At December 31, the Group's total assets amounted to SEK 31,950 M (29,565). It was primarily completed projects in Property Development that increased, at the same time as current interest-bearing liabilities increased.

The average maturity of interest-bearing liabilities, excluding the pension debt and lease liability, was 18 months (28) at the end of the quarter. At December 31, NCC's unutilized committed lines of credit totaled SEK 5.4 billion (5.1), with an average remaining maturity of 24 (29) months.

Capital employed

At December 31, capital employed amounted to SEK 13,175 M (11,480). The increase was mainly due to investments in property projects. The return on capital employed was 15 percent (12).

The return on equity was 21 percent (17).

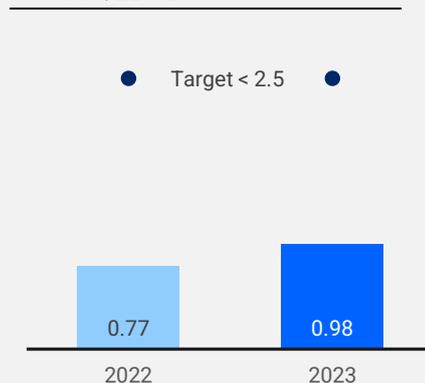
Financial targets and dividend policy

NCC has two financial targets: earnings per share and net debt in relation to EBITDA. The target is for earnings per share to be a minimum of SEK 16 by 2023, which was achieved as earnings per share for 2023 amounted to SEK 16.11. In November, the company's Board of Directors decided to update the target so that the target of SEK 16 per share will also apply in the short and medium term moving forward. The target for

Earnings per share SEK



Net debt/EBITDA



This refers to corporate net debt, that is, net debt excluding pension debt and lease liability EBITDA refers to operating profit according to the income statement, with reversal of depreciation and impairment losses according to Note 2, excluding depreciation/amortization of right-of-use assets.

corporate net debt is that it is to be less than 2.5 times EBITDA. At the end of 2023, corporate net debt amounted to 0.98 times EBITDA. This goal is unchanged.

NCC's dividend policy states that approximately 60 percent of the after-tax profit for the year is to be distributed to shareholders. For 2023, NCC's Board of Directors has proposed a dividend of SEK 8 per share, corresponding to 50 percent of after-tax profit for the year. The Board of Directors proposes that the dividend be paid on two occasions. The proposed record date for the first payment of SEK 4 per share is April 11, 2024, with payment occurring on April 16, 2024. For the second payment of SEK 4 per share, November 7, 2024 is the proposed record date with payment occurring on November 12, 2024.

Health and safety targets

Health and safety is a high priority area in NCC and a prioritized area in the Group's sustainability framework. All levels of the Group are focused on reducing the total number of accidents as well as completely avoiding accidents and incidents that lead to or could lead to serious injury or fatalities.

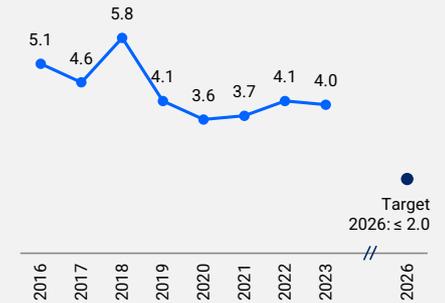
NCC has set a Group-wide target for the accident frequency rate for accidents that lead to more than four days of absence per million worked hours (LTIF4) for the Group's own employees. The target is to achieve 2.0 in 2026 with annual interim targets. In 2023, the outcome was 4.0, which was in line with the preceding year but not in line with the goal.

In December, a serious accident occurred at a worksite in Skellefteå in which an NCC employee was fatally injured and another person was severely injured. NCC held a Group-wide moment of reflection to honor our deceased coworker but also to serve as a reminder and to emphasize the importance of working safely or not at all. The accident is still under investigation and NCC is assisting in this work. NCC is continuously working to achieve the target of eliminating serious accidents and incidents. It is conducted in a structured manner, based on clear focus areas in all business areas and the work is closely monitored. The importance of active safety work and strong safety culture is emphasized in all contexts.

Climate and energy targets

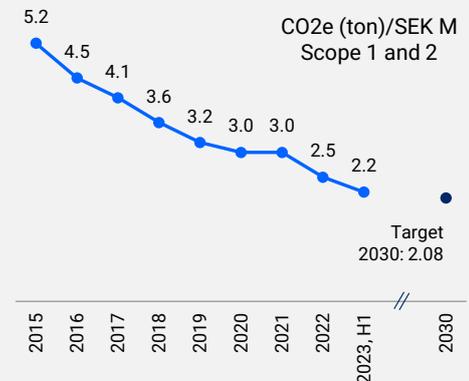
NCC reports on developments in climate and energy at six-monthly intervals, in the interim reports for the first and third quarters. The results for the full year will also be presented in the Annual Report, which will be published in March. The table to the right presents emission intensity as per the third quarter of 2023 for Scope 1 and 2, meaning emissions in own operations.

Accident frequency



Accident frequency: Worksite accidents resulting in more than four days of absence per one million hours worked.

Emission intensity



The figures for the base year were recalculated due to the divestment of Asphalt Finland, in accordance with the Greenhouse Gas Protocol Corporate Standard. Earlier, the following values were reported:

| | | | | | | |
|------|------|------|------|------|------|------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| 5.9 | 5.0 | 4.8 | 4.0 | 3.7 | 3.4 | 3.5 |

Order status

Orders received and order backlog

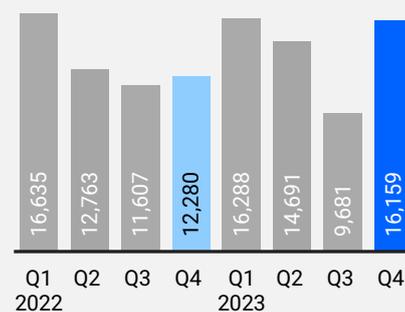
Orders received in the fourth quarter amounted to SEK 16,159 M (12,280), which is just over 32 percent higher than the year-earlier quarter as more large projects were registered in Infrastructure and Building Nordics. The higher orders received in the quarter in Infrastructure was driven by all countries. The increase in Building Nordics is mainly due to the Danish business. Orders received declined for Building Sweden.

For the full year, orders received totaled SEK 56,819 M (53,285). Orders received increased in Building Nordics and Infrastructure, but decreased in Building Sweden. The higher orders received in Infrastructure was due to more major projects being registered among orders for the full year. The higher orders received in Building Nordics was driven by the Danish and Norwegian operations.

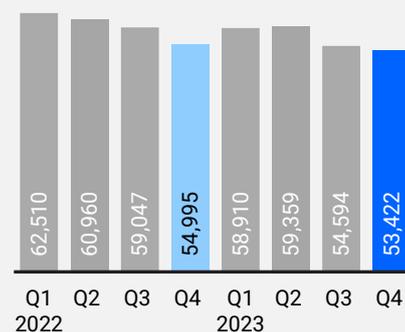
Changes in exchange rates impacted orders received by SEK 326 M (947).

The Group's order backlog amounted to SEK 53,422 M (54,995) at the end of the quarter. The order backlog declined in Infrastructure and Building Sweden, but this was offset by a higher order backlog in Building Nordics.

Orders received, SEK M



Order backlog, SEK M



Examples of orders and contracts during the fourth quarter of 2023. A list of orders valued at more than SEK 150 M and announced via press releases during the quarter is available at ncc.com/ir.

- Infrastructure has been contracted by Roslagsvatten to build a new water treatment plant in Österåker, Sweden. The order value is approximately SEK 1.2 billion
- In Gothenburg, Sweden, Infrastructure has begun work to reinforce Skandia Harbour, the largest port in Scandinavia. The order value is just over SEK 1 billion
- Building Nordics to build new head offices in Denmark. Outside Fredericia, on the Jutland peninsula, for Energinet (SEK 900 M) and in Ballerup for Bosch
- Building Nordics has also been commissioned to construct a production facility in Denmark. The order value is approximately SEK 900 M
- Building Sweden is involved in several large hospital projects in Sweden. A new emergency hospital is being built in Västerås (SEK 800 M), the hospital in Gävle will be extended (SEK 430 M) and Ryhov County Hospital in Jönköping will be modernized (SEK 220 M)
- Building Nordics has been contracted to renovate Finland's National Museum in Helsinki. The order value is approximately SEK 320 M
- Infrastructure will construct foundations and roads for a new wind farm in Ånglarna, north of Falun, Sweden. The order value is approximately SEK 280 M
- In the Finnish city of Oulu, Building Nordics will build a multi-purpose building near the Tuira school. The contract is valued at approximately SEK 260 M
- Building Sweden will construct Diamanten, a new building that will combine operations for elderly care and a preschool in Bjurholm, Sweden. The order value is approximately SEK 200 M
- Building Nordics has been contracted to build a new district court house in Tönsberg, south-eastern Norway. The order value is approximately SEK 170 M

NCC Infrastructure

Orders received and order backlog

Orders received amounted to SEK 5,913 M (3,465) in the fourth quarter and to SEK 16,707 M (15,391) for the January-December period. The higher orders received was due to more large projects being registered among orders during the quarter. Energy and Water Treatment accounted for nearly half of orders received in the quarter, and increased most.

The order backlog was lower year-on-year and amounted to SEK 16,074 M (17,291).

Net sales and earnings

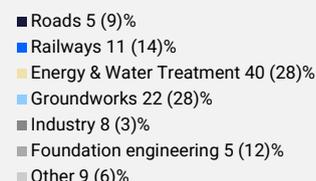
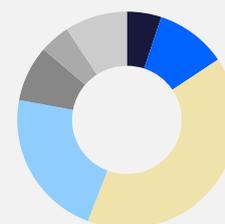
Net sales amounted to SEK 5,017 M (5,262) in the fourth quarter and to SEK 17,667 M (17,256) in the January-December period. Energy and Water Treatment and Groundworks accounted for half of total net sales.

As previously announced, the Bergnäset Ställningsmontage AB subsidiary was divested to the German company REMONDIS Maintenance & Services Sweden AB. The divestment was completed in the third quarter and generated a positive impact of SEK 175 M on earnings.

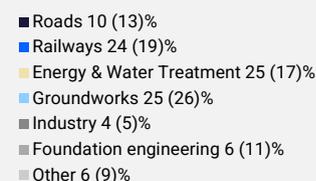
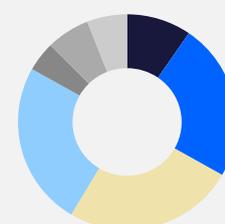
Operating profit amounted to SEK 182 M (124) in the fourth quarter and to SEK 723 M (429) in the January-December period. Adjusted for the positive contribution from the divestment of Bergnäset in the third quarter, operating profit amounted to SEK 548 M in the January-December period. During the period, higher net sales and higher project margins in the order backlog had a positive impact on operating profit.

| | Q4 | | Jan-Dec | |
|--------------------------------------|--------|--------|---------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| Orders received | 5,913 | 3,465 | 16,707 | 15,391 |
| Order backlog | 16,074 | 17,291 | 16,074 | 17,291 |
| Net sales | 5,017 | 5,262 | 17,667 | 17,256 |
| Operating profit/loss | 182 | 124 | 723 | 429 |
| Operating profit/loss excl Bergnäset | 182 | - | 548 | - |
| Operating margin, % | 3.6 | 2.4 | 4.1 | 2.5 |
| Operating margin excl Bergnäset, % | 3.6 | - | 3.1 | - |

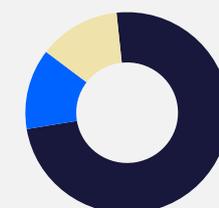
Orders received Jan-Dec



Net sales Jan-Dec



Net sales Jan-Dec



Share of sales Jan-Dec

30%

NCC Building Sweden

Orders received and order backlog

Orders received amounted to SEK 3,210 M (3,825) in the fourth quarter and to SEK 12,661 M (14,711) for the January-December period. The lower orders received in the January-December period was mainly attributable to the higher number of large projects among orders in the first quarter of 2022. Public Buildings accounted for the largest share of orders received in the January-December period, and increased most. Residential units declined due to the prevailing market situation. 70 percent of orders received for residential units comprised rental apartments.

The order backlog was lower than in the year-earlier period, but remained at a high level compared with net sales for one year, amounting to SEK 16,753 M (18,587) at the end of the quarter.

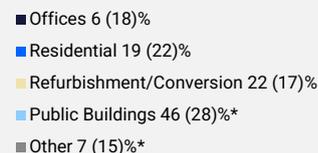
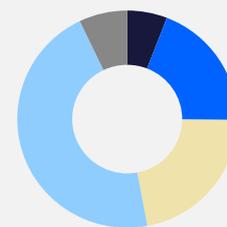
Net sales and earnings

Net sales amounted to SEK 4,272 M (4,273) in the fourth quarter and to SEK 14,475 M (14,178) in the January-December period. Residential units and Public Buildings accounted for the largest share of total net sales.

Operating profit amounted to SEK 80 M (98) in the fourth quarter and to SEK 272 M (252) in the January-December period. Compared with the preceding year, earnings were negatively impacted by somewhat lower project margins in the order backlog on account of impairment losses on a small number of residential housing projects in 2022 and by price pressure due to the economic situation.

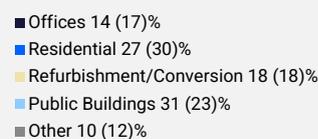
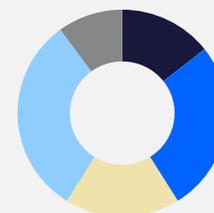
| | Q4 | | Jan-Dec | |
|-----------------------|--------|--------|---------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| Orders received | 3,210 | 3,825 | 12,661 | 14,711 |
| Order backlog | 16,753 | 18,587 | 16,753 | 18,587 |
| Net sales | 4,272 | 4,273 | 14,475 | 14,178 |
| Operating profit/loss | 80 | 98 | 272 | 252 |
| Operating margin, % | 1.9 | 2.3 | 1.9 | 1.8 |

Orders received Jan-Dec



*During the period, some projects were reclassified from Public Buildings to Other.

Net sales Jan-Dec



Share of sales Jan-Dec

24%

NCC Building Nordics

Orders received and order backlog

Orders received amounted to SEK 4,363 M (2,469) in the fourth quarter and to SEK 16,654 M (12,321) for the January-December period. The increase during the January-December period was attributable to Denmark and Norway, where several large projects were registered among orders. In Finland, orders received declined. Due to the large projects in Norway and Denmark, Public Buildings accounted for the largest share of orders received. The increase in Other, which includes hotels, industrial buildings and more, is due to the reclassification of some projects from Public Buildings. The proportion of residential units declined sharply year-on-year due to the prevailing market situation.

The order backlog was higher year-on-year and amounted to SEK 18,684 M (17,127).

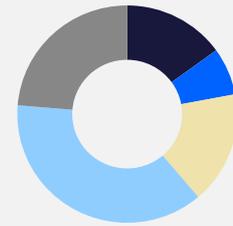
Net sales and earnings

Net sales amounted to SEK 3,780 M (4,140) in the fourth quarter and to SEK 14,615 M (13,568) in the January-December period. The strengthening of the SEK in December had a negative impact on net sales during the quarter. Net sales increased in all countries, but most in Denmark. Public Buildings and Refurbishment accounted for just under half of net sales during the year.

Operating profit amounted to SEK 139 M (95) in the quarter and to SEK 343 M (347) in the January-December period. Operating profit in the business area was adversely impacted during the quarter by lower margins in the order backlog and higher costs in projects, particularly in Norway. Denmark reported strong operating profit in the quarter and in the January-December period. In Finland, changes were implemented in the organization to align the business with the market and to strengthen profitability. In the fourth quarter operating profit was positively impacted by the reorganization carried out in 2022.

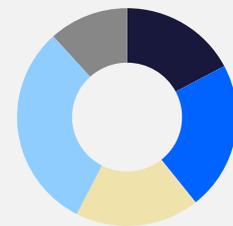
| | Q4 | | Jan-Dec | |
|-----------------------|--------|--------|---------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| Orders received | 4,363 | 2,469 | 16,654 | 12,321 |
| Order backlog | 18,684 | 17,127 | 18,684 | 17,127 |
| Net sales | 3,780 | 4,140 | 14,615 | 13,568 |
| Operating profit/loss | 139 | 95 | 343 | 347 |
| Operating margin, % | 3.7 | 2.3 | 2.3 | 2.6 |

Orders received Jan-Dec



- Offices 15 (10)%
- Residential 7 (32)%
- Refurbishment/Conversion 17 (18)%
- Public Buildings 37 (35)%*
- Other 24 (5)%*

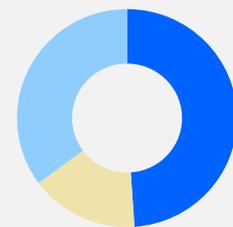
Net sales Jan-Dec



- Offices 17 (15)%
- Residential 22 (31)%
- Refurbishment/Conversion 18 (21)%
- Public Buildings 31 (29)%*
- Other 12 (4)%*

*During the period, some projects were reclassified from Public Buildings to Other.

Net sales Jan-Dec



- Denmark 49 (47)%
- Norway 16 (16)%
- Finland 35 (37)%

Share of sales Jan-Dec

25%

NCC Industry

Orders received

Orders received amounted to SEK 2,846 M (2,774) in the fourth quarter and to SEK 11,459 M (11,638) for the January-December period. Orders received in the asphalt operations during the quarter were higher than in the same quarter last year but lower in the January-December period. For the stone materials operations, orders received were lower in the quarter but higher in the January-December period.

Net sales and earnings

Net sales amounted to SEK 3,094 M (3,374) in the fourth quarter and to SEK 11,485 M (11,268) in the January-December period. The lower net sales in the quarter is the result of lower volumes in both the asphalt and stone materials operations, partly due to an early winter across the Nordic region. The higher net sales for the January-December period were driven by price increases for customers in both the asphalt and stone materials operations.

Operating profit amounted to SEK 99 M (23) in the fourth quarter and to SEK 400 M (8) in the January-December period. The higher operating profit was mainly due to price increases in both the asphalt and stone materials operations in Denmark and Norway.

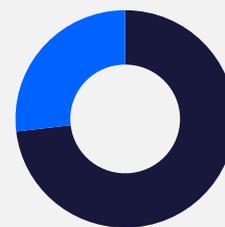
Operating capital employed

Operating capital employed was lower than at the end of 2022.

| | Q4 | | Jan-Dec | |
|--|-------|-------|---------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| Orders received | 2,846 | 2,774 | 11,459 | 11,638 |
| Net sales | 3,094 | 3,374 | 11,485 | 11,268 |
| Operating profit/loss | 99 | 23 | 400 | 8 |
| Operating margin, % | 3.2 | 0.7 | 3.5 | 0.1 |
| Operating capital employed ¹ | 4,090 | 4,411 | 4,090 | 4,411 |
| Stone materials thousand tonnes, sold volume | 6,130 | 6,993 | 25,610 | 28,443 |
| Asphalt thousand tonnes, sold volume | 1,222 | 1,334 | 4,657 | 4,803 |
| Return on operating capital employed, % ¹ | - | - | 8.9 | 0.3 |

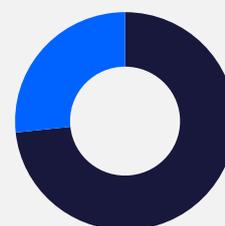
1) See definition at NCC:s website, ncc.com/investor-relations/ncc-share/financial-definitions/

Orders received Jan-Dec



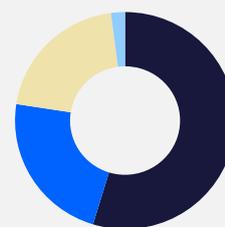
■ Asphalt and paving 73 (74)%
■ Stone materials 27 (26)%

Net sales Jan-Dec



■ Asphalt and paving 73 (73)%
■ Stone materials 27 (27)%

Net sales Jan-Dec



■ Sweden 55 (56)%
■ Denmark 23 (21)%
■ Norway 20 (20)%
■ Finland 2 (3)%

Share of sales Jan-Dec

19%

NCC Property Development

Net sales and earnings

Net sales amounted to SEK 100 M (77) in the fourth quarter and to SEK 1,376 M (1,301) for 2023. Operating profit amounted to SEK 42 M (268) in the fourth quarter and to SEK 243 M (482) for 2023.

No projects were recognized in profit in the fourth quarter, but a joint venture project, Kineum Gårda, was recognized in profit during the fourth quarter of the preceding year. In the January-December period, one project in Denmark (Kontorværket 1) was recognized in profit, and one sale of land with development rights was carried out in Sweden (Järva krog). Higher rental revenues in Sweden from several projects made a positive contribution to profit during the year. In 2022, three projects were recognized in profit: Fredriksberg D, Kineum Gårda and Bettorp.

Property projects

No projects were started during the quarter. One joint venture project, Park Central, was started in Sweden during 2023. This project is expected to be recognized in profit in the second quarter of 2027.

During 2023, a total of 31 new leases (32) were signed in Sweden, Finland and Denmark, of which 9 (5) were signed in the fourth quarter. These contracts corresponded to 27,900 square meters (31,800) for 2023, including 12,600 (1,700) in the fourth quarter.

At the end of the year, 11 projects (11) were ongoing or completed but not yet recognized in profit. Costs incurred in all projects amounted to SEK 9.0 billion (7.2), corresponding to a total completion rate of 75 percent (68). The completion rate for ongoing projects was 60 percent (68). The letting rate was 47 percent (59) for ongoing projects, and 87 percent (-) for completed projects. The total letting rate during the quarter was 65 percent (59). Operating net amounted to SEK 45 M (11) in the fourth quarter and to SEK 146 M (37) for 2023.

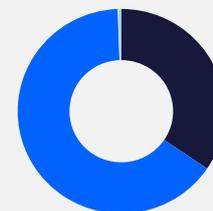
Operating capital employed

Operating capital employed increased and amounted to SEK 9,592 M (7,996) at the end of the quarter. The increase was attributable to investments in ongoing projects, while only one project was recognized in profit during the period.

| | Q4 | | Jan-Dec | |
|--|-------|-------|---------|-------|
| | 2023 | 2022 | 2023 | 2022 |
| Net sales | 100 | 77 | 1,376 | 1,301 |
| Operating profit/loss | 42 | 268 | 243 | 482 |
| Operating margin, % | 42.2 | 348.8 | 17.7 | 37.0 |
| Operating capital employed ¹ | 9,592 | 7,996 | 9,592 | 7,996 |
| Return on operating capital employed, % ¹ | - | - | 2.8 | 6.7 |

1) See definition at NCC:s website, ncc.com/investor-relations/ncc-share/financial-definitions/

Net sales Jan-Dec



■ Sweden 35 (30%)
■ Denmark 65 (3%)
■ Norway 0 (5%)
■ Finland 0 (62%)

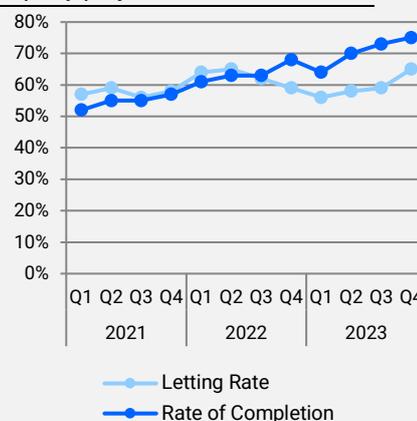
Letting ¹



1) Total letting also includes previously sold and profit-recognized property projects where NCC works with letting.

* Arendal Albatross has been sold, and the letting rate is 100 percent since the letting risk has passed to the buyer at the time of sale.

Property projects



Share of sales Jan-Dec

2%

NCC Property Development

Property development projects as of 2023-12-31

Ongoing Property development projects¹

| Project | Type | Location | Sold, estimated recognition in profit | Completion ratio, % | Lettable area (sqm) | Letting ratio, % |
|--------------------------------|-----------|------------|---------------------------------------|---------------------|---------------------|------------------|
| We Land | Office | Helsinki | | 70 | 21,200 | 47 |
| Total Finland | | | | 70 | 21,200 | 47 |
| MIMO ² | Office | Gothenburg | Q4 2024 | 73 | 31,600 | 58 |
| Nova | Office | Solna | | 85 | 9,900 | 27 |
| Arendal Albatross ³ | Logistics | Gothenburg | Q1 2024 | 95 | 34,000 | 100 |
| Habitat 7 | Office | Gothenburg | | 50 | 7,800 | 36 |
| Flow Hyllie | Office | Malmö | | 58 | 10,300 | 40 |
| Park Central ⁴ | Office | Gothenburg | Q2 2027 | 12 | 15,200 | 15 |
| Total Sweden | | | | 57 | 108,800 | 46 |
| Total | | | | 60 | 130,000 | 47 |

Completed Property development projects

| Project | Type | Location | Sold, estimated recognition in profit | Lettable area (sqm) | Letting ratio, % |
|----------------------|--------|------------|---------------------------------------|---------------------|------------------|
| Kulma21 | Office | Helsinki | | 7,700 | 100 |
| Total Finland | | | | 7,700 | 100 |
| Bromma Blocks | Office | Stockholm | | 52,400 | 79 |
| Våghuset | Office | Gothenburg | | 10,900 | 99 |
| Brick Studios | Office | Gothenburg | | 16,100 | 97 |
| Total Sweden | | | | 79,400 | 86 |
| Total | | | | 87,100 | 87 |

1) The tables refers to ongoing or completed property projects that have not yet been recognized as revenue. In addition to these projects, NCC also focuses on rental (rental guarantees / additional purchase) in five previously sold and revenue recognized property projects, a maximum of approximately SEK 15 M in potential positive earnings effect.

2) NCC announced in Q2 2017 that Platzer had an option to acquire the property in Mölndal when the project is completed. During Q3 2021, Platzer chose to realize the option and the parties have signed a sales agreement. The sale is conditioned by a letting ration of 80% or more.

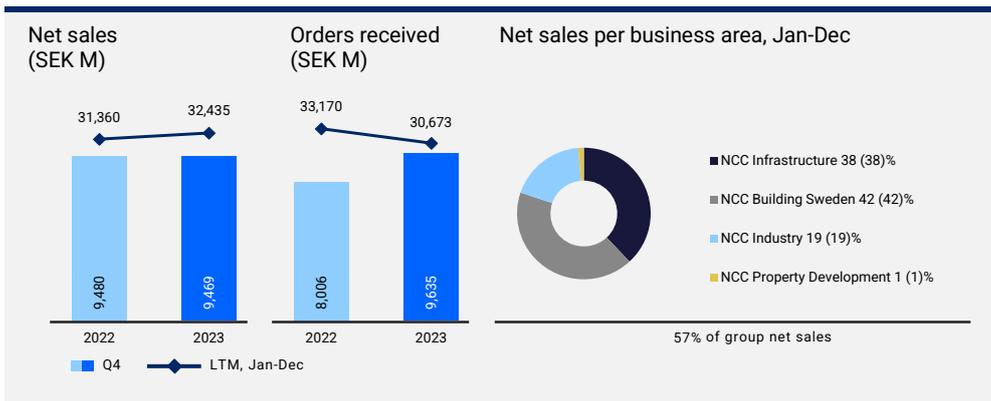
3) The project has been sold and the letting ratio is 100 percent as the letting-risk has passed to the buyer.

4) The project covers approximately a total of 40 000 square meters and lettable area of approximately 30 400 square meters. The project is carried out together with Jernhusen, a Swedish state-owned property company, and was included in the december 2021 agreement to jointly develop Park Central in joint venture through a jointly owned company. NCC has acquired 50 percent of the property-owning company by Jernhusen that will repurchase the part when the property is completed and some criteria is fulfilled.

The data in the table refers to NCCs share of the project.

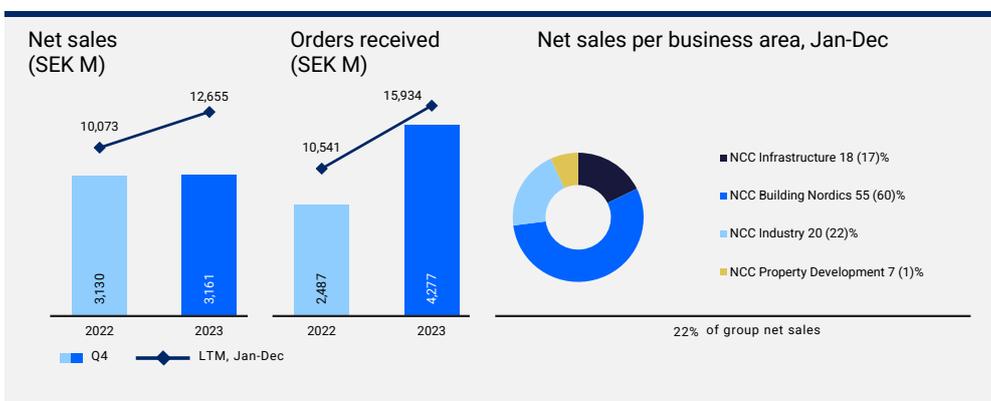
Geographical areas

Sweden



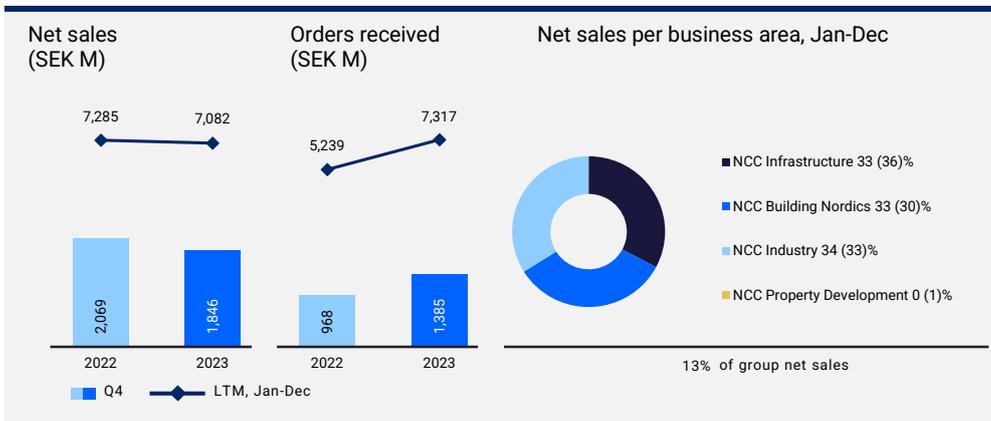
- Infrastructure is to construct a new treatment plant in Österåker (SEK 1,200 M) and expand Skandia Harbour in Gothenburg (SEK 1,000 M).
- Building Sweden has started the construction of a new emergency hospital in Västerås, an extension to Gävle Hospital and renovation of Ryhov County Hospital in Jönköping
- The lower orders received in Sweden is mainly derived from Building Sweden, which registered a number of large projects in orders in the 2022 comparative year

Denmark



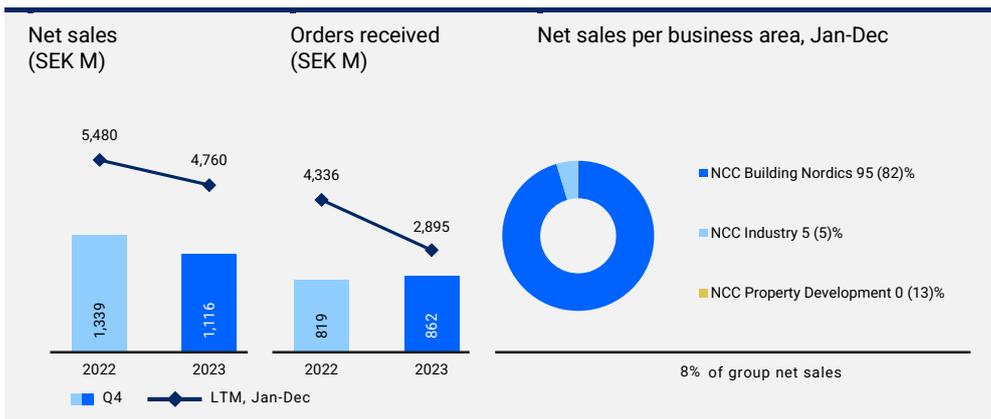
- Denmark is NCC's second-largest market, accounting for 22 percent of consolidated net sales. Orders received increased 50 percent and net sales 25 percent during the year
- Orders received during the quarter include Building Nordic's new orders for two new head offices for Energinet and Bosch, and an order for a production facility valued at approximately SEK 900 M
- Industry in Denmark has improved its earnings by raising prices, in both asphalt and stone materials

Norway



- Net sales in Norway are stable and evenly distributed across three business areas. Industry is the largest business area. Orders received increased 40 percent during the year
- Three large projects inaugurated: the Granåsen Ski Center, the Venjar Eidsvoll section of railway and the tunnels NCC constructed on the Faroe Islands
- Infrastructure initiated a collaboration with BaneNor to modernize railway stations around Oslo. The project is in the preparatory phase and will be registered among orders at a later date
- Lars Petter Gamlem has been appointed new Division Manager for Building Norway

Finland



- NCC has adapted its operations in Finland during the year to address a challenging market. Orders received declined by 33 percent
- During the quarter, NCC was commissioned to renovate Finland's National Museum (approx. SEK 320 M) and to construct a multi-purpose building in Oulo (approx. SEK 260 M)
- Project Boost, which is being built for Nordea on behalf of Pembroke, was named Construction Site of the Year in Finland

Other

Significant risks and uncertainties

A description of the risks to which NCC may be exposed is provided in the 2022 Annual Report (pages 24–29). This assessment still applies.

In February 2022, Russia began an invasion of Ukraine, which has had a number of consequences for the global economy. NCC has no operations in Ukraine, Russia or Belarus, nor does it have any major direct suppliers in these countries.

The conflict is impacting the global economy and high inflation, a declining economy and falling GDP also represent risks for NCC. Higher interest rates also have an impact on, for example, the conditions for the sale of properties and the general construction market, as detailed in the risk section of the Annual Report.

Related-party transactions

Related parties are NCC's subsidiaries, associated companies and joint arrangements. In the fourth quarter, related-company sales amounted to SEK 9 M (10) and purchases to SEK 3 M (3). For the full year, sales amounted to SEK 38 M (42) and purchases to SEK 17 M (14).

Seasonal effects

Industry's operations and certain operations in Building Sweden, Building Nordics and Infrastructure are impacted by seasonal variations due to weather conditions. Earnings in the first quarter are normally weaker than the rest of the year.

Amounts and dates

Unless otherwise indicated, amounts are stated in SEK millions (SEK M). All comparative figures in this report pertain to the year-earlier period. Rounding-off differences may arise in all tables.

Repurchase of shares

At December 31, NCC AB had a total of 2,099,221 Series B shares in treasury to cover the commitments according to the long-term incentive programs.

Proposed dividend

NCC's Board of Directors has proposed a dividend of SEK 8 (6.00) per share to be paid on two occasions. This corresponds to 50 percent of after-tax profit for the year. The proposed record date for the first payment of SEK 4 is April 11, 2024, with payment occurring on April 16, 2024. For the second payment of SEK 4, November 7, 2024 is the proposed record date with payment occurring on November 12, 2024.

Annual General Meeting

NCC's Annual General Meeting will be held on April 9, 2024, at Space, Sergelgatan 2 in Stockholm, Sweden. The notification will be published not later than four weeks prior to the Meeting.

Other significant events

Financial targets

NCC's Board of Directors has adopted financial targets for the Group, which were communicated in conjunction with the company's Capital Market Day on November 9, 2023. The earnings per share (EPS) target, SEK 16 per share, which was previously set for 2023, will apply until further notice as a short and medium-term target. The company's net-debt target will remain unchanged at <2.5 times EBITDA. The company's dividend policy that was adopted in April 2022 is unchanged. Refer also to page 4.

New business area: NCC Green Industry Transformation

As of January 1, 2024, NCC has a new business area, NCC Green Industry Transformation. The business area is focused on large projects driven by the green industrial transition and that require special expertise and resources. The business area will be built up during 2024. Financially, the business area will be reported under "Other and eliminations" until further notice.

Changes to the Senior Management Team

Niklas Sparw has been appointed new head of the Building Sweden business area and member of the Senior Management Team. He will take up the post on February 1, 2024. He succeeds Henrik Landelius, who will leave NCC for a role outside the company. Niklas Sparw is currently Division Manager within Building Sweden.

Helena Hed has been recruited as the new head of the Green Industry Transformation business areas and member of the Senior Management Team. She will take up the post on February 12, 2024. CEO Tomas Carlsson is acting head of the business area until Helena Hed takes office. Read more in the press release from December 6, 2023.

Capital Market Day

NCC held a Capital Market Day in Stockholm on November 9, 2023. A recording of the event and presentation material are available on NCC's website under Investor Relations.

Financial calendar

Annual General Meeting, Stockholm: April 9, 2024
Interim report Q1 2024: May 3, 2024
Interim report Q2 and Jan-Jun: July 16, 2024
Interim report Q3 and Jan-Sep: October 25, 2024

The Annual Report for 2023 will be published not later than March 19, 2024.

Signatures

Solna, January 30, 2024
Tomas Carlsson
President and CEO

This report is unaudited.

Condensed consolidated income statement

| SEK M | Note | Q4 | | Jan-Dec | |
|--|------|--------------|--------------|--------------|--------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Net sales | 4 | 15,592 | 16,018 | 56,932 | 54,198 |
| Production costs | 2 | -14,311 | -14,868 | -52,245 | -50,202 |
| Gross profit | | 1,280 | 1,151 | 4,687 | 3,996 |
| Selling and administrative expenses | 2 | -928 | -878 | -3,156 | -2,981 |
| Other operating income/expenses | | 6 | 271 | 271 | 343 |
| Operating profit/loss | 4 | 358 | 544 | 1,802 | 1,358 |
| Financial income | | 24 | 6 | 80 | 29 |
| Financial expense ¹ | | -28 | -30 | -79 | -87 |
| Net financial items | 4 | -4 | -24 | 1 | -59 |
| Profit/loss after financial items | 4 | 354 | 520 | 1,803 | 1,299 |
| Tax | | 38 | -113 | -230 | -230 |
| Net profit/ loss | | 392 | 407 | 1,573 | 1,069 |
| Attributable to: | | | | | |
| NCC's shareholders | | 392 | 407 | 1,573 | 1,069 |
| Net profit/loss for the period | | 392 | 407 | 1,573 | 1,069 |
| Earnings per share | | | | | |
| Net profit/loss for the period, before and after dilution, SEK | | 4.02 | 4.13 | 16.11 | 10.29 |
| Number of shares, millions | | | | | |
| Total number of issued shares | | 99.8 | 108.4 | 99.8 | 108.4 |
| Average number of shares outstanding before and after dilution during the period | | 97.7 | 98.7 | 97.6 | 103.9 |
| Number of shares outstanding at the end of the period | | 97.7 | 97.6 | 97.7 | 97.6 |

1) Whereof interest expenses including capitalized interest expenses for the quarter SEK -18 M (-28) and for the period SEK -54 M (-65).

Consolidated statement of comprehensive income

| SEK M | Note | Q4 | | Jan-Dec | |
|---|------|---------------|------------|--------------|--------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Net profit/loss for the period | 1 | 392 | 407 | 1,573 | 1,069 |
| Items that have been recycled or should be recycled to net profit/loss for the period | | | | | |
| Exchange differences on translating foreign operations | | -121 | 66 | -74 | 229 |
| Cash flow hedges | | -32 | -99 | -154 | 58 |
| Income tax relating to items that have been or should be recycled to net profit/loss for the period | | 7 | 20 | 32 | -12 |
| | | -146 | -13 | -196 | 275 |
| Items that cannot be recycled to net profit/loss for the period | | | | | |
| Revaluation of defined benefit pension plans | | -1,147 | 326 | -818 | 2,039 |
| Income tax relating to items that can not be recycled to net profit/loss for the period | | 236 | -67 | 168 | -420 |
| | | -911 | 259 | -649 | 1,619 |
| Other comprehensive income | | -1,057 | 246 | -846 | 1,894 |
| Total comprehensive income | | -665 | 653 | 728 | 2,963 |
| Attributable to: | | | | | |
| NCC's shareholders | | -665 | 653 | 728 | 2,963 |
| Total comprehensive income | | -665 | 653 | 728 | 2,963 |

Condensed consolidated balance sheet

| SEK M | Note | 31 Dec 2023 | 31 Dec 2022 |
|---|------|---------------|---------------|
| | | | |
| ASSETS | | | |
| Goodwill | | 1,913 | 1,943 |
| Other intangible assets | | 545 | 326 |
| Right-of-use assets | 3 | 1,300 | 1,420 |
| Owner-occupied properties | | 867 | 909 |
| Machinery and equipment | | 2,310 | 2,504 |
| Long-term interest-bearing receivables | 5 | 204 | 184 |
| Pension receivable | | - | 68 |
| Other financial fixed assets | | 688 | 684 |
| Total fixed assets | | 7,827 | 8,037 |
| Properties held for future development | | 1,265 | 1,179 |
| Ongoing property projects | | 3,794 | 7,171 |
| Completed property projects | | 4,986 | - |
| Participations in associated companies | | 201 | 74 |
| Materials and inventories | | 1,120 | 1,079 |
| Accounts receivable | | 8,696 | 8,205 |
| Worked-up, not-invoiced revenues | | 1,076 | 1,410 |
| Current interest-bearing receivables | | 129 | 117 |
| Other current receivables | 3 | 1,649 | 1,364 |
| Short-term investments | | 501 | 394 |
| Cash and cash equivalents | | 707 | 534 |
| Total current assets | | 24,124 | 21,528 |
| Total assets | | 31,950 | 29,565 |
| EQUITY | | | |
| Shareholders' equity | | 7,324 | 7,183 |
| Total shareholders' equity | | 7,324 | 7,183 |
| LIABILITIES | | | |
| Long-term interest-bearing liabilities | 5 | 3,006 | 3,286 |
| Provisions for pensions and similar obligations | | 556 | - |
| Other long-term liabilities | | 902 | 1,003 |
| Other provisions | | 2,218 | 2,481 |
| Total long-term liabilities | | 6,683 | 6,770 |
| Current interest-bearing liabilities | 5 | 2,289 | 1,012 |
| Accounts payable | | 6,105 | 5,165 |
| Invoiced revenues not worked-up | | 5,058 | 4,754 |
| Other current liabilities | | 4,492 | 4,681 |
| Total current liabilities | | 17,944 | 15,612 |
| Total liabilities | | 24,626 | 22,382 |
| Total shareholders' equity and liabilities | | 31,950 | 29,565 |

Condensed consolidated changes in shareholders' equity

| SEK M | 31 Dec 2023 | | | 31 Dec 2022 | | |
|-------------------------------------|---------------|------------------------|----------------------------|---------------|------------------------|----------------------------|
| | Share capital | Profit brought forward | Total shareholders' equity | Share capital | Profit brought forward | Total shareholders' equity |
| Opening balance | 867 | 6,315 | 7,183 | 867 | 4,977 | 5,844 |
| Total comprehensive income | - | 728 | 728 | - | 2,963 | 2,963 |
| Dividend | - | -586 | -586 | - | -618 | -618 |
| Withdrawal of own shares | -69 | 69 | - | - | - | - |
| Bonus issue | 69 | -69 | - | - | - | - |
| Acquisition/sale of treasury shares | - | - | - | - | -1,009 | -1,009 |
| Performance based incentive program | - | -1 | -1 | - | 3 | 3 |
| Closing balance | 867 | 6,457 | 7,324 | 867 | 6,316 | 7,183 |

Condensed consolidated cash flow statement

| SEK M | Q4 | | Jan-Dec | |
|--|--------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| OPERATING ACTIVITIES | | | | |
| Operating profit/loss | 358 | 544 | 1,802 | 1,358 |
| Adjustments for items not included in cash flow | 198 | 167 | 534 | 881 |
| Interest paid and received | -28 | -10 | -162 | -24 |
| Taxes paid | 71 | -12 | -52 | -218 |
| Cash flow from operating activities before changes in working capital | 599 | 690 | 2,122 | 1,997 |
| Divestment of property projects | 88 | 690 | 747 | 1,406 |
| Gross investments in property projects | -478 | -1,082 | -2,432 | -2,924 |
| Cash flow from property projects | -390 | -392 | -1,684 | -1,518 |
| Other changes in working capital | 853 | 1,051 | 369 | -213 |
| Cash flow from changes in working capital | 463 | 659 | -1,315 | -1,731 |
| Cash flow from operating activities | 1,062 | 1,349 | 807 | 265 |
| INVESTING ACTIVITIES | | | | |
| Acquisition/sale of subsidiaries and other holdings | -6 | -1 | 261 | 211 |
| Acquisition/sale of tangible fixed assets | -33 | -301 | -407 | -579 |
| Acquisition/sale of other fixed assets | -171 | -10 | -301 | -33 |
| Cash flow from investing activities | -211 | -312 | -446 | -401 |
| Cash flow before financing | 851 | 1,037 | 361 | -136 |
| FINANCING ACTIVITIES | | | | |
| Cash flow from financing activities | -826 | -1,285 | -187 | -1,896 |
| Cash flow during the period | 25 | -248 | 174 | -2,031 |
| Cash and cash equivalents at beginning of period | 683 | 781 | 534 | 2,561 |
| Effects of exchange rate changes on cash and cash equivalents | -2 | 1 | -0 | 4 |
| Cash and cash equivalents at end of period | 707 | 534 | 707 | 534 |

Condensed consolidated net debt

| Net debt, SEK M | Jan-Dec | |
|--|---------------|---------------|
| | 2023 | 2022 |
| Net cash +/Net debt - opening balance | -3,000 | -2,932 |
| - Cash flow from operating activities | 807 | 265 |
| - Cash flow from investing activities | -446 | -401 |
| Cash flow before financing | 361 | -136 |
| Change in provisions/receivables for pensions | -624 | 2,066 |
| Change in leasing debt | -461 | -376 |
| Paid dividend | -586 | -618 |
| Acquisition/sale of treasury shares | - | -1,009 |
| Currency exchange differences in cash and cash equivalents | -0 | 4 |
| Net cash + /Net debt - closing balance | -4,310 | -3,000 |
| - Whereof provisions/receivables for pensions | -556 | 68 |
| - Whereof leasing debt | -1,380 | -1,507 |
| - Whereof other net cash/net debt | -2,374 | -1,561 |

Parent Company condensed income statement

| SEK M | Note 1 | Q4 | | Jan-Dec | |
|---|--------|------------|------------|--------------|--------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Net sales | | 143 | 123 | 172 | 153 |
| Selling and administrative expenses | | -112 | -72 | -316 | -231 |
| Operating profit | | 31 | 51 | -144 | -78 |
| Result from participations in Group companies | | - | - | 1,125 | 1,081 |
| Result from other financial fixed assets | | - | - | 14 | 13 |
| Result from financial current assets | | 4 | 1 | 17 | 1 |
| Interest expense and similar items | | -3 | -4 | -15 | -10 |
| Result after financial items | | 32 | 48 | 997 | 1,006 |
| Appropriations | | 134 | 233 | 134 | 233 |
| Tax on net profit/loss for the period | | -33 | -62 | 3 | -34 |
| Net profit/loss for the period | | 133 | 219 | 1,133 | 1,205 |

Net sales pertain to charges to Group companies. The average number of employees was 63 (60).

Parent Company condensed balance sheet

| SEK M | Note 1 | 31 Dec 2023 | 31 Dec 2022 |
|---|--------|--------------|--------------|
| ASSETS | | | |
| Tangible fixed assets | | 0 | 0 |
| Financial fixed assets | | 5,125 | 4,562 |
| Total fixed assets | | 5,126 | 4,562 |
| Current receivables | | 359 | 603 |
| Treasury balances in NCC Treasury AB | | 133 | 213 |
| Total current assets | | 492 | 816 |
| Total assets | | 5,618 | 5,378 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | | 5,079 | 4,532 |
| Provisions | | 6 | 6 |
| Long-term liabilities | | 2 | 3 |
| Current liabilities | | 531 | 836 |
| Total shareholders' equity and liabilities | | 5,618 | 5,378 |

Total approved dividends amounted to SEK 586 M, of which SEK 293 M was paid in April and SEK 293 M was paid in November.

Notes

Note 1. Accounting policies

This interim report has been compiled pursuant to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union (EU).

A small number of changes to existing standards and interpretations came into effect for the fiscal year commencing after January 1, 2023. IFRS 17 Insurance contracts was adopted by the EU in November 2021 and came into force on January 1, 2023. As previously communicated, the new standard did not result in any changes for the Group. Other changes that came into force on January 1, 2023 had no material impact on this financial report either.

Parent Company

The Parent Company has prepared its interim report pursuant to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The interim report for Parent Company has been prepared pursuant to the same accounting policies and methods of calculation as the 2022 Annual Report (Note 1 and in connection with the subsequent notes).

Note 2. Depreciation/amortization

| SEK M | Q4 | | Jan-Dec | |
|--|-------------|-------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Other intangible assets | -16 | -14 | -58 | -50 |
| Owner-occupied properties ¹ | -78 | -83 | -314 | -307 |
| Machinery and equipment ² | -202 | -217 | -847 | -874 |
| Total depreciation | -296 | -313 | -1,219 | -1,231 |

1) Whereof depreciation of right-of-use assets for the quarter SEK -69 M (-63) and for the period SEK -270 M (-247).

2) Whereof depreciation of right-of-use assets for the quarter SEK -75 M (-79) and for the period SEK -318 M (-322).

Note 3. Right-of-use assets

| SEK M | 31 Dec 2023 | 31 Dec 2022 |
|----------------------------------|--------------|--------------|
| Owner-occupied properties | 797 | 864 |
| Machinery and equipment | 503 | 555 |
| Land leases ¹ | 1 | 2 |
| Total right-of-use assets | 1,301 | 1,422 |

1) Land leases are classified as current assets.

Note 4. Segment reporting

| Q4 2023 | NCC Infrastructure | NCC Building Sweden | NCC Building Nordics | NCC Industry | NCC Property Development | Total segments | Other and eliminations ¹ | Group |
|-----------------------------------|-----------------------|---------------------------|----------------------------|-----------------|-----------------------------|---------------------------|--|---------------|
| Net sales, external | 4,930 | 4,000 | 3,589 | 2,944 | 97 | 15,560 | 32 | 15,592 |
| Net sales, internal | 86 | 272 | 191 | 150 | 3 | 702 | -702 | - |
| Net sales, total | 5,017 | 4,272 | 3,780 | 3,094 | 100 | 16,263 | -671 | 15,592 |
| Operating profit | 182 | 80 | 139 | 99 | 42 | 543 | -184 | 358 |
| Net financial items | - | - | - | - | - | - | - | -4 |
| Profit/loss after financial items | - | - | - | - | - | - | - | 354 |

| Q4 2022 | NCC Infrastructure | NCC Building Sweden | NCC Building Nordics | NCC Industry | NCC Property Development | Total segments | Other and eliminations ¹ | Group |
|-----------------------------------|-----------------------|---------------------------|----------------------------|-----------------|-----------------------------|---------------------------|--|---------------|
| Net sales, external | 5,065 | 3,822 | 3,861 | 3,136 | 77 | 15,961 | 57 | 16,018 |
| Net sales, internal | 197 | 451 | 279 | 238 | - | 1,165 | -1,165 | - |
| Net sales, total | 5,262 | 4,273 | 4,140 | 3,374 | 77 | 17,126 | -1,108 | 16,018 |
| Operating profit | 124 | 98 | 95 | 23 | 268 | 609 | -65 | 544 |
| Net financial items | - | - | - | - | - | - | - | -24 |
| Profit/loss after financial items | - | - | - | - | - | - | - | 520 |

| January - December 2023 | NCC Infrastructure | NCC Building Sweden | NCC Building Nordics | NCC Industry | NCC Property Development | Total segments | Other and eliminations ² | Group |
|-----------------------------------|-----------------------|---------------------------|----------------------------|-----------------|-----------------------------|---------------------------|--|---------------|
| Net sales, external | 17,288 | 13,314 | 13,833 | 10,972 | 1,373 | 56,782 | 151 | 56,932 |
| Net sales, internal | 379 | 1,161 | 782 | 513 | 3 | 2,837 | -2,837 | - |
| Net sales, total | 17,667 | 14,475 | 14,615 | 11,485 | 1,376 | 59,619 | -2,686 | 56,932 |
| Operating profit | 723 | 272 | 343 | 400 | 243 | 1,982 | -179 | 1,802 |
| Net financial items | - | - | - | - | - | - | - | 1 |
| Profit/loss after financial items | - | - | - | - | - | - | - | 1,803 |

| January - December 2022 | NCC Infrastructure | NCC Building Sweden | NCC Building Nordics | NCC Industry | NCC Property Development | Total segments | Other and eliminations ² | Group |
|-----------------------------------|-----------------------|---------------------------|----------------------------|-----------------|-----------------------------|---------------------------|--|---------------|
| Net sales, external | 16,687 | 12,763 | 12,530 | 10,643 | 1,301 | 53,925 | 274 | 54,198 |
| Net sales, internal | 569 | 1,415 | 1,037 | 625 | - | 3,646 | -3,646 | - |
| Net sales, total | 17,256 | 14,178 | 13,568 | 11,268 | 1,301 | 57,571 | -3,373 | 54,198 |
| Operating profit | 429 | 252 | 347 | 8 | 482 | 1,518 | -161 | 1,358 |
| Net financial items | - | - | - | - | - | - | - | -59 |
| Profit/loss after financial items | - | - | - | - | - | - | - | 1,299 |

1) The figures for the quarter include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -139 M (-26). Further, the figures includes eliminations of internal profits of SEK -31 M (-24) and other Group adjustments of SEK -14 M (-15). These items primarily correspond to pensions and leases.

2) The figures for the period include among others NCC's head office and results from small subsidiaries and associated companies, totalling SEK -310 M (-131). Further, the figures includes eliminations of internal profits amounting of SEK -18 M (-44) and other Group adjustments of SEK 149 M (15). These items primarily correspond to pensions and leases.

Note 5. Fair value of financial instruments

In the tables below, disclosures are made concerning how fair value has been determined for the financial instruments that are continuously measured at fair value in NCC's balance sheet. When determining fair value, assets have been divided into three levels. No transfers were made between the levels during the period.

In level 1, measurement complies with the prices quoted on an active market for the same instruments. Derivatives in level 2 comprise currency forward contracts, interest-rate swaps, oil

forward contracts and electricity forward contracts used for hedging purposes.

The measurement at fair value of currency forward contracts, oil forward contracts and electricity forward contracts is based on accepted models with observable input data such as interest rates, exchange rates and commodity prices. The measurement of interest-rate swaps is based on forward interest rates based on observable yield curves. In level 3, measurement is based on input data that is not observable in the market.

| SEK M | 31 Dec 2023 | | | | 31 Dec 2022 | | | |
|---|-------------|------------|-----------|------------|-------------|------------|-----------|------------|
| | Level | | | | Level | | | |
| | 1 | 2 | 3 | Tot | 1 | 2 | 3 | Tot |
| Financial assets measured at fair value through profit and loss | | | | | | | | |
| Short-term investments | 450 | | | 450 | 374 | | | 374 |
| Derivative instruments | | 16 | | 16 | | 34 | | 34 |
| Derivative instruments used in hedge accounting | | 16 | | 16 | | 117 | | 117 |
| Financial assets measured at fair value through other comprehensive income | | | | | | | | |
| Equity instruments | | | 68 | 68 | | | 68 | 68 |
| Total assets | 450 | 32 | 68 | 550 | 374 | 151 | 68 | 593 |
| Financial liabilities measured at fair value through profit and loss | | | | | | | | |
| Derivative instruments | | 53 | | 53 | | 3 | | 3 |
| Derivative instruments used in hedge accounting | | 59 | | 59 | | 6 | | 6 |
| Total liabilities | 0 | 112 | 0 | 112 | 0 | 9 | 0 | 9 |

In the table below, disclosures are made concerning fair value for the financial instruments that are not recognized at fair value in NCC's balance sheet.

| SEK M | 31 Dec 2023 | | 31 Dec 2022 | |
|---|-----------------|------------|-----------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Long-term interest-bearing receivables - amortized cost | 204 | 203 | 184 | 175 |
| Short-term investments - amortized cost | 51 | 49 | 20 | 20 |
| Long-term interest-bearing liabilities | 3,006 | 2,987 | 3,286 | 3,240 |
| Current interest-bearing liabilities | 2,289 | 2,285 | 1,012 | 1,012 |

For other financial instruments recognized at amortized cost (accounts receivable, current interest-bearing receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities) the fair value does not materially deviate from the carrying amount.

Note 6. Pledged assets, contingent liabilities and guarantee obligations

SEK M

| Group | 31 Dec 2023 | 31 Dec 2022 |
|---|-------------|-------------|
| Assets pledged | 431 | 424 |
| Contingent liabilities and guarantee obligations ¹ | 264 | 249 |
| Parent company | | |
| Contingent liabilities and guarantee obligations ¹ | 25,142 | 30,167 |

1) In the comparison periods NCC AB had sureties which were indemnified by Bonava AB based on a Master Separation Agreement. These sureties are completed as of June 2023.

Summary of key figures

| | Q4 | | Jan-Dec | | | | |
|--|--------|--------|---------|--------|--------|--------|--------|
| | 2023 | 2022 | 2023 | 2022 | 2021 | 2020 | 2019 |
| Profitability ratios | | | | | | | |
| Return on shareholders equity, % ¹ | 21 | 17 | 21 | 17 | 32 | 37 | 32 |
| Return on capital employed, % ¹ | 15 | 12 | 15 | 12 | 16 | 12 | 13 |
| Financial ratios at period-end | | | | | | | |
| EBITDA % including effects of dividends | 4.2 | 5.3 | 5.3 | 4.8 | 5.9 | 5.2 | 4.7 |
| Interest-coverage ratio, times ¹ | 24 | 16 | 24 | 16 | 23 | 13 | 9 |
| Equity/asset ratio, % | 23 | 24 | 23 | 24 | 20 | 14 | 10 |
| Interest bearing liabilities/total assets, % | 18 | 15 | 18 | 15 | 21 | 26 | 25 |
| Net cash +/ Net debt -, SEK M | -4,310 | -3,000 | -4,310 | -3,000 | -2,932 | -4,823 | -4,489 |
| Debt/equity ratio, times | 0.6 | 0.4 | 0.6 | 0.4 | 0.5 | 1.2 | 1.5 |
| Capital employed at period end, SEK M | 13,175 | 11,480 | 13,175 | 11,480 | 12,055 | 11,375 | 10,382 |
| Capital employed, average, SEK M | 12,776 | 11,766 | 12,776 | 11,766 | 11,430 | 10,983 | 9,936 |
| Capital turnover rate, times ¹ | 4.5 | 4.6 | 4.5 | 4.6 | 4.7 | 4.9 | 5.9 |
| Closing interest rate, % ³ | 5.1 | 4.1 | 5.1 | 4.1 | 1.1 | 1.1 | 1.1 |
| Average period of fixed interest, years ³ | 0.7 | 1.0 | 0.7 | 1.0 | 0.5 | 1.0 | 1.2 |
| Per share data | | | | | | | |
| Profit/loss after tax, before and after dilution, SEK | 4.02 | 4.13 | 16.11 | 10.29 | 14.02 | 11.68 | 8.09 |
| Cash flow from operating activities, before and after dilution, SEK | 10.87 | 13.67 | 8.27 | 2.55 | 21.00 | 14.56 | 20.50 |
| Cash flow before financing, before and after dilution, SEK | 8.72 | 10.50 | 3.70 | -1.30 | 17.62 | 10.26 | 14.01 |
| P/E ratio ¹ | 8 | 9 | 8 | 9 | 12 | 13 | 19 |
| Dividend, ordinary, SEK | - | - | 8.00 | 6.00 | 6.00 | 5.00 | 2.50 |
| Dividend yield, % | - | - | 6.4 | 6.2 | 3.6 | 3.3 | 1.6 |
| Shareholders' equity before and after dilution, SEK | 74.99 | 73.60 | 74.99 | 73.60 | 54.32 | 36.89 | 28.21 |
| Share price/shareholders' equity, % | 167 | 132 | 167 | 132 | 309 | 407 | 543 |
| Share price at period-end, NCC B, SEK | 125.60 | 97.25 | 125.60 | 97.25 | 167.70 | 150.00 | 153.20 |
| Number of shares, millions | | | | | | | |
| Total number of issued shares ^{2 4} | 99.8 | 108.4 | 99.8 | 108.4 | 108.4 | 108.4 | 108.4 |
| Treasury shares at period-end | 2.1 | 10.8 | 2.1 | 10.8 | 0.8 | 0.8 | 0.5 |
| Total number of shares outstanding at period-end before and after dilution | 97.7 | 97.6 | 97.7 | 97.6 | 107.6 | 107.7 | 107.9 |
| Average number of shares outstanding before and after dilution during the period | 97.7 | 98.7 | 97.6 | 103.9 | 107.6 | 107.8 | 108.0 |
| Market capitalization before and after dilution, SEK M | 12,271 | 9,636 | 12,271 | 9,636 | 18,035 | 16,144 | 16,548 |
| Personnel | | | | | | | |
| Average number of employees | 12,243 | 12,485 | 12,243 | 12,485 | 13,002 | 14,388 | 15,273 |

1) Calculations are based on the rolling 12 month period.

2) All shares issued by NCC are common shares.

3) Refers to interest-bearing liabilities excluding pension liabilities according to IAS 19 and leases according to IFRS 16.

4) Withdrawal of 8,674,866 own shares series B has been made during the period.

For definitions of key figures, see <https://ncc.com/investor-relations/ncc-share/financial-definitions/>

Invitation to presentation of the Interim Report for the fourth quarter of 2023

NCC's President and CEO Tomas Carlsson and Chief Financial Officer Susanne Lithander will present the interim report at a webcast and teleconference on January 30, 2024 at 9:00 a.m. (CET). The presentation will be held in English.

Presentation material will be available at ncc.se/ir from approximately 8:00 a.m. (CET).

Link to webcast:

Webcast Q4

To participate by phone, please call one of the following numbers five minutes prior to the start of the conference.

SE: +46 8 505 100 31

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Financial calendar

| | |
|---|------------------|
| Annual General Meeting | April 9, 2024 |
| Interim report Q1 2024 | May 3, 2024 |
| Interim report Q2 2024 and Jan-Jun 2024 | July 16, 2024 |
| Interim report Q3 2024 and Jan-Sep 2024 | October 25, 2024 |

This is the type of information that NCC AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above on January 30, 2024, at 7:10 a.m. (CET).

In 2016, the NCC Infrastructure business area signed a contract to construct two subsea road tunnels on the Faroe Islands. The first sub-project was the 11.2-kilometer-long Eysturoy Tunnel, valued at NOK 1.5 billion. The second sub-project was the 10.8-kilometer-long Sandoy Tunnel, valued at NOK 1.2 billion. Work on the Eysturoy Tunnel commenced in 2016 while construction of the Sandoy Tunnel started in 2018. Up until the opening of the Eysturoy Tunnel in December 2020, construction of both subsea tunnels was conducted in parallel. Now the road tunnels are ready.



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